

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FRONTIER AIRLINES, INC.,)
)
Plaintiff,)
)
vs.) Case No. 1:20-cv-09713-LLS
)
AMCK AVIATION HOLDINGS)
IRELAND LIMITED, ACCIPITER)
INVESTMENT 4 LIMITED,)
VERMILLION AVIATION (TWO))
LIMITED, WELLS FARGO TRUST)
COMPANY, N.A., solely in its)
capacity as OWNER TRUSTEE,)
and UMB BANK, N.A., solely)
in its capacity as OWNER)
TRUSTEE,)
)
Defendants.)
)

VIDEOTAPED VIDEOCONFERENCE DEPOSITION
OF
FRANCIS LEE

(All participants appeared via videoconference.)

DATE: APRIL 29, 2022 (HONG KONG TIME)
REPORTED BY: Lori L. Thielmann, RPR, CCR #21-0014

1 wouldn't think that it's a fixed number that decide -- 08:22:09
2 that a lessor can use to decide whether to do it or not. 08:22:14
3 Q. Okay. I'm going to get into some exhibits a 08:22:17
4 little bit later on and maybe you can help me understand 08:22:21
5 that process a little better. 08:22:23
6 A. Yeah. 08:22:25
7 Q. So but conceptually what you're saying is that 08:22:25
8 if you have an airlines with a lower credit on the scale 08:22:28
9 that is used by CK Assets or AMCK, you're going to be 08:22:33
10 looking for a higher rate of return due to the risk? 08:22:40
11 A. That's generally the case that we analyze 08:22:45
12 investment. 08:22:47
13 Q. Did you have any role in analyzing any 08:22:47
14 information relating to the Carlyle transaction? 08:22:56
15 A. I was involved in that transaction. 08:23:00
16 MR. ALEXANDER: I'm going to object. 08:23:06
17 Just -- David, sorry. I'm going to object at this 08:23:07
18 point. David, I think you have our position on this. I 08:23:10
19 think Jeff stated it yesterday or the other day. I'll 08:23:14
20 reiterate it. We don't believe that the questioning 08:23:17
21 into the Carlyle transaction is appropriate. It's not 08:23:19
22 at issue in this lawsuit. We've given you some leeway 08:23:22
23 in the past, but you already have a separate lawsuit 08:23:26
24 about that issue now, and so we don't think it's 08:23:30
25 appropriate to continue with questioning on that topic 08:23:32

1 here and so I would ask you to please move on. 08:23:34

2 MR. HOSENPUD: Yeah, I'll move on, but I'm 08:23:36

3 going to ask some questions about the Defendants in this 08:23:38

4 case, so you can state your objections if you're going 08:23:40

5 to adhere to them. If not, then I'll ask my questions 08:23:44

6 to make my record. 08:23:47

7 BY MR. HOSENPUD: 08:23:49

8 Q. Is -- are you familiar with the entity known as 08:23:50

9 Vermillion (Two) Limited? 08:23:53

10 A. I'm aware of the entity, Vermillion (Two), but 08:23:56

11 I wouldn't say I'm familiar with it. It's one of the 08:24:00

12 entities that we use to hold aircraft. 08:24:03

13 Q. Okay. And is it still being used to hold 08:24:06

14 aircraft? 08:24:09

15 A. The completion -- I mean, the transaction with 08:24:10

16 Carlyle is complete. If I understand correctly, the 08:24:13

17 entity is now under Carlyle, so for that question you 08:24:16

18 may need to talk to Carlyle. 08:24:19

19 Q. So the ownership has transferred to Carlyle of 08:24:21

20 that entity? 08:24:25

21 A. Yeah, the transaction is complete. 08:24:25

22 Q. All right. And would the same be true of 08:24:27

23 Accipiter? 08:24:32

24 A. What -- 08:24:33

25 Q. Yes -- maybe I can do this. I'm going to have 08:24:36

1 THE WITNESS: Some entities were 08:26:44
2 transferred, some entities were not. 08:26:46
3 BY MR. HOSENPUD: 08:26:46
4 Q. Okay. So my focus is on Vermillion Aviation 08:26:49
5 (Two) Limited, and it's not shown on this chart, but is 08:26:56
6 that entity still part of CK Asset Holdings? 08:26:59
7 A. Well, if that is the entity holding the 08:27:05
8 Frontier aircraft, I would expect the entity to have 08:27:09
9 been transferred. You need to verify these facts, 08:27:12
10 David. If that's the case, it would be under Carlyle 08:27:15
11 and that would be a question for Carlyle. 08:27:18
12 Q. Same question for Accipiter Investments (Four) 08:27:20
13 Limited. 08:27:26
14 A. Same answer. 08:27:26
15 Q. Okay. 08:27:28
16 A. I tried to help and need to verify if they're 08:27:32
17 the aircraft holding entity of the relevant aircraft. 08:27:35
18 Q. I want you to assume for those questions that 08:27:39
19 they are the aircraft holding entity. So is your answer 08:27:42
20 that those would have been transferred? 08:27:48
21 A. Well, I need to double check on that because 08:27:50
22 there are many -- as I said, there are many Accipiter 08:27:55
23 entities. There are many Vermillion entities. I need 08:28:01
24 to be -- 08:28:05
25 Q. Let me do it this way. If Vermillion -- 08:28:05

1 A. Okay -- 08:28:17

2 Q. -- Aviation -- if Vermillion Aviation (Two) 08:28:18

3 Limited was the aircraft holding entity, is it your 08:28:22

4 testimony that it was transferred? 08:28:30

5 MR. ALEXANDER: Objection to the form. 08:28:32

6 BY MR. HOSENPUD: 08:28:34

7 Q. You can answer. 08:28:34

8 A. Yeah, if they were the aircraft holding entity 08:28:35

9 of the relevant aircraft, they were -- the entity would 08:28:40

10 have been transferred to Carlyle. 08:28:44

11 Q. Okay. Same question for Accipiter Investments 08:28:46

12 (Four) Limited. If it was -- 08:28:50

13 A. If it was -- 08:28:52

14 Q. -- one of the entities holding the aircraft, 08:28:52

15 would it have been transferred? 08:28:56

16 A. Yes. 08:28:58

17 MR. ALEXANDER: Objection to the form. 08:28:59

18 BY MR. HOSENPUD: 08:29:00

19 Q. Okay. And is AMCK Aviation still in existence? 08:29:00

20 A. AMCK -- sorry, which entity? 08:29:10

21 Q. AMCK Aviation. 08:29:12

22 A. AMCK Aviation? Well, as I understand -- 08:29:14

23 Q. The Dublin entity. 08:29:20

24 A. The Ireland entity. Is it in existence? Yes. 08:29:22

25 Q. And is it operating at this time? 08:29:27

1 A. Yes, it has employees at this point in time. 08:29:31

2 Q. And it has aircraft that it is servicing? 08:29:35

3 A. We have a servicing agreement. It shouldn't 08:29:39

4 have aircraft at this point because they were sold. 08:29:44

5 Q. But it has a servicing agreement? 08:29:50

6 A. I don't know if there's anything left lately 08:29:53

7 but it has employees today. 08:30:00

8 Q. Are you aware of any wind-down activity winding 08:30:02

9 down its business? 08:30:07

10 A. No, no current plan to do that. We still have 08:30:10

11 employees there. 08:30:14

12 Q. Have some employees left as of now? 08:30:14

13 A. Yeah. 08:30:21

14 Q. Is the entity working with a much smaller 08:30:22

15 employee base? 08:30:27

16 A. Yes, could be 50/50. I mean, maybe we have 08:30:28

17 half of our colleagues left after the completion. 08:30:36

18 Q. Is Mr. Sheridan still with AMCK Aviation? 08:30:39

19 A. I think he has left. 08:30:45

20 Q. Is Ms. Jane O'Callaghan still with AMCK 08:30:46

21 Aviation? 08:30:51

22 A. I think she has left. 08:30:51

23 Q. To your knowledge, is Mr. Ronan Murphy still 08:30:53

24 with AMCK Aviation? 08:30:58

25 A. To my knowledge, I think he also left. 08:30:59

C E R T I F I C A T E

I, LORI L. THIELMANN, Oregon CSR Number 21-0014, Washington CSR Number 21002182, do hereby certify that prior to the commencement of the examination, FRANCIS LEE, was duly remotely sworn by me to testify to the truth, the whole truth, and nothing but the truth.

I DO FURTHER CERTIFY that the foregoing is a verbatim transcript of the testimony as taken stenographically by me at the time, place, and on the date hereinbefore set forth to the best of my ability.

I DO FURTHER CERTIFY that I am neither a relative, nor employee, nor attorney, nor counsel of any of the parties to this action, and that I am neither a relative, nor employee of such attorney or counsel, and that I am not financially interested in the action.

WITNESS WHEREOF, I have hereunto set my hand and seal this 12th day of May, 2022.



LORI L. THIELMANN, RPR, CCR

Oregon License No. 21-0014

Washington License No. 21002182